

EDMONDS CITY COUNCIL APPROVED MINUTES

October 18, 2011

The Edmonds City Council meeting was called to order at 6:30 p.m. by Mayor Cooper in the Council Chambers, 250 5th Avenue North, Edmonds.

ELECTED OFFICIALS PRESENT

Mike Cooper, Mayor
Strom Peterson, Council President
Steve Bernheim, Councilmember
D. J. Wilson, Councilmember
Lora Petso, Councilmember
Adrienne Fraley-Monillas, Councilmember
Diane Buckshnis, Councilmember

ELECTED OFFICIALS ABSENT

Michael Plunkett, Councilmember

STAFF PRESENT

Al Compaan, Police Chief
Gerry Gannon, Assistant Police Chief
Jim Lawless, Assistant Police Chief
Stephen Clifton, Community Services/Economic Development Director
Phil Williams, Public Works Director
Shawn Hunstock, Finance Director
Jim Tarte, Interim Finance Director
Carrie Hite, Parks & Recreation Director
Rob Chave, Planning Manager
Frances Chapin, Cultural Services Manager
Rob English, City Engineer
Carl Nelson, CIO
Leonard Yarberry, Building Official
Dave Sittauer, Fleet Maintenance Manager
Kernen Lien, Planner
Deb Sharp, Accountant
Jeff Taraday, City Attorney
Sandy Chase, City Clerk
Jana Spellman, Senior Executive Council Asst.
Jeannie Dines, Recorder

1. CONVENE IN EXECUTIVE SESSION REGARDING POTENTIAL LITIGATION PER RCW 42.30.110(1)(i)

At 6:30 p.m., Mayor Cooper announced that the City Council would meet in executive session regarding potential litigation per RCW 42.30.110(1)(i). He stated that the executive session was scheduled to last approximately 30 minutes and would be held in the Jury Meeting Room, located in the Public Safety Complex. Elected officials present at the executive session were: Mayor Cooper, and Councilmembers Bernheim, Fraley-Monillas, Buckshnis, Peterson, Petso and Wilson. Others present were City Attorney Jeff Taraday, Public Works Director Phil Williams, Parks & Recreation Director Carrie Hite, City Engineer Rob English, and City Clerk Sandy Chase. At 7:01 p.m. Ms. Chase announced to the public present in the Council Chambers that an additional 15 minutes would be required in executive session. At 7:17 p.m., Ms. Chase announced that an additional 15 minutes would be required in executive session. The executive session concluded at 7:39 p.m.

RECONVENED IN OPEN SESSION

Mayor Cooper reconvened the regular City Council meeting at 7:41 p.m. and led the flag salute.

2. APPROVAL OF AGENDA

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER WILSON, TO APPROVE THE AGENDA IN CONTENT AND ORDER. MOTION CARRIED UNANIMOUSLY.

3. APPROVAL OF CONSENT AGENDA ITEMS

COUNCIL PRESIDENT PETERSON MOVED, SECONDED BY COUNCILMEMBER WILSON, TO APPROVE THE CONSENT AGENDA. MOTION CARRIED UNANIMOUSLY. The agenda items approved are as follows:

- A. ROLL CALL**
- B. APPROVAL OF CITY COUNCIL MEETING MINUTES OF OCTOBER 4, 2011.**
- C. APPROVAL OF CITY COUNCIL MEETING MINUTES OF OCTOBER 11, 2011.**
- D. APPROVAL OF CLAIM CHECKS #128136 THROUGH #128284 DATED OCTOBER 6, 2011 FOR \$672,497.70, AND CLAIM CHECKS #128285 THROUGH #128388 DATED OCTOBER 13, 2011 FOR \$724,066.98. APPROVAL OF PAYROLL DIRECT DEPOSIT AND CHECKS #50854 THROUGH #50882 FOR THE PERIOD SEPTEMBER 16, 2011 THROUGH SEPTEMBER 30, 2011 FOR \$645,614.58.**
- E. ACKNOWLEDGE RECEIPT OF CLAIMS FOR DAMAGES SUBMITTED BY SHEILA BERRETH (AMOUNT UNDETERMINED), FARMERS INSURANCE FOR MARY COURTS (\$18,598.50), AND CHRISTIAN ROTHRAUFF (\$40,000).**
- F. COMPENSATION CONSULTANT SELECTION.**
- G. AUTHORIZATION TO ADVERTISE A REQUEST FOR QUALIFICATIONS (RFQ) FOR THE DAYTON STREET AND SR104 STORM DRAINAGE ALTERNATIVES STUDY.**
- H. AUTHORIZATION TO ADVERTISE A REQUEST FOR QUALIFICATIONS FOR THE PERRINVILLE CREEK CULVERT REPLACEMENT AT TALBOT ROAD.**
- I. AUTHORIZATION FOR MAYOR TO SIGN WATERLINE EASEMENT AGREEMENT.**
- J. AGREEMENT FOR CHILD INTERVIEW SPECIALIST SERVICES.**
- K. QUARTERLY REPORT REGARDING FIBER OPTIC OPPORTUNITIES.**
- L. PROCLAMATION TO DECLARE OCTOBER 23-29, 2011 CASCADE SYMPHONY ORCHESTRA WEEK IN CELEBRATION OF THEIR 50TH SEASON.**

4. PROCLAMATION RECOGNIZING THE FRIENDS OF THE EDMONDS LIBRARY.

Mayor Cooper read a proclamation declaring October 16-22 Friends of the Edmonds Library Week in Edmonds and urged all citizens to recognize and applaud their valuable service. A representative of the Friends of the Edmonds Library urged the community to support the book sale which provides funds for the library.

Lesly Kaplan, Managing Librarian, thanked Mayor Cooper and the City Council for recognizing the Friends of the Edmonds Library. She expressed the library's appreciation for the Friends' dedication.

Mayor Cooper commented the Council also approved a Proclamation on the Consent Agenda declaring October 23-29 Cascade Symphony Orchestra Week in celebration of their 50th season. He will read the proclamation at the Symphony's October 23rd concert.

5. PRESENTATION BY EDMONDS CHAMBER OF COMMERCE.

Juliana Van Buskirk, Edmonds Chamber of Commerce, explained the Advocacy Committee advocates on behalf of Chamber members, businesses in Edmonds, bringing forth their desires and priorities. They recently conducted a survey of Edmonds businesses and Chamber members to determine their priorities for the community. The goal of the survey was to help the City focus their efforts for making Edmonds a more vibrant and attractive community. The Chamber will continue to survey new members. The top priorities in the survey were attracting visitors, customers and new businesses to the City. Members are satisfied with the amount of effort put toward park acquisition, maintenance, public safety, green initiatives and arts and culture. Highest priorities are:

- Marketing and promoting the City – 84%
- Promote tourism including sports tourism – 82%
- Buy local campaign – 82%
- Efforts to recruit new businesses – 80%
- Other priorities – walkability, sidewalks, spaces, and outdoor seating
- Business friendly permit – 68%
- Additional parking – 67%
- Business friendly zoning – 65%

6. AUDIENCE COMMENTS

Betty Larman commended Parks & Recreation Director Carrie Hite for her work on the Old Milltown courtyard. The renovation of the Old Milltown courtyard will be a minimal cost to the City due to funding provided via donations and grants. She was distressed by the use of the Old Milltown courtyard during the political season; she intended it as a community project and not a contentious issue. Next, she reported the community garden she started 2½ years ago has had 2 extremely successful growing seasons, has a waiting list and has donated hundreds of pounds of fresh vegetables to the food bank. The garden likely will be lost due to expansion of the church where the garden is located. She urged the City to provide space in a park for an Edmonds community garden as well as free water.

Ron Wambolt, Edmonds, referred to Councilmember Bernheim's report on the Haines Wharf Park, commenting extraneous information in the report, material not relevant to Haines Wharf, was provided by Councilmember Buckshnis. He was disappointed vindictiveness had been introduced into the issue. He asked if Councilmember Bernheim's report was intended to satisfy the motion passed by the Council on September 6 to recommend a process to select an outside, independent investigator. If blame is allocated for the change order process that occurred during the construction of Haines Wharf Park, some must go to City Council. On at least one occasion, a change order was a Consent Agenda item; the Council failed to investigate the details prior to approval. Along with the new process for change order approval, he recommended a process be developed for periodic Council review of projects over some established value. Next, Mr. Wambolt explained My Edmonds News hosted a forum yesterday to answer questions about the three upcoming levies. Speakers partially justified the levies by stating the City's expenses have been constantly cut over the last several years. Mr. Wambolt recognized the significant role of former Mayor Haakenson in cutting the City's expenses during the period 2001-2009 and stated it is primarily the actions of former Mayor Haakenson that delayed the need for a property tax levy until now.

Dave Page, Edmonds, commented the 2012 budget was put together very well, was very transparent and was the best he had seen. He recognized the budget includes a lot of cuts but is balanced. He pointed out

there were approximately 70 people in the audience. Recognizing this was the third time in the recent past the Council meeting started late, he urged the Council to start on time.

Roger Hertrich, Edmonds, referred to Mr. Wambolt's comments regarding former Mayor Haakenson, pointing out that former Mayor Haakenson was involved in the Haines Wharf Park cost overruns. He referred to recent comments in the newspaper that confidence in City leaders is waning and that the City is rudderless. In his opinion, this Council had been very good and has made great progress. This Council and the Mayor opened the windows financially and he feels confident. Next, he criticized Councilmember Wilson for not describing his involvement in the disclosure he made regarding Kim Cole. He accused Councilmember Wilson of being a dishonest person in the role of a Councilmember.

7. REPORT BY STAFF ON RECENT WALL GRAPHICS/MURALS APPROVED PER EDMONDS CITY CODE.

Cultural Services Manager Frances Chapin explained Resolution 1255 requested a report from staff on the number and nature of murals and related amendments to the Edmonds Code Chapter 20.60. She referred to a City Council meeting in March 2010 when the amendments were made to the sign code. Municipalities typically address murals in two ways, 1) as an art program, or 2) as part of the sign code. A majority of municipalities including Edmonds address murals as part of the sign code. Edmonds' sign code considers murals or artwork on exterior walls as non-commercial wall graphics, privately created graphics on private walls. When amendments were presented to the City Council in March 2010, the goal was to provide clarification in the sign code with regard to definitions and the process for permit and review under the sign code.

Ms. Chapin emphasized the murals are not a City program; the organization that has created the murals in the downtown since 2009 is the Edmonds Mural Society. They installed the first mural in 2009 and at that point staff proposed the amendments to clarify the language and process for murals. Edmonds Mural Society is a membership organization and representatives are present to answer Council questions.

Planner Kernen Lien reviewed how murals have been permitted:

- EDC 20.60.015.C identifies application requirements and design review criteria
- Separate sign periods are required for each mural
- A single design review on related murals
- To date 11 murals have been permitted between 2009 and 2011
- Only the last 5 in 2011 have been reviewed under the updated sign code

Mr. Lien explained some of the amendments were intended to make murals less expensive to permit. He reviewed the cost of murals to date:

- 2009 – 1 mural \$255
 - \$140 sign permit fee (City \$15 permit surcharge, \$60 sign permit fee and \$65 building plan review fee)
 - \$115 design review fee
- 2010 – 5 murals \$815
 - \$140 sign permit fee for each
 - \$115 design review fee for all 5
- 2011 – 5 murals \$130
 - \$15 permit surcharge
 - \$115 design review fee for all 5

In response to the resolution's inquiry regarding future murals, Mr. Lien stated this is not a City program. Although the Edmonds Mural Society has funded the murals to date, any individual or group may apply

for a mural. The Edmonds Mural Society plans to do five a year in a theme. The theme in 2010 was “A Moment in Time” and the theme in 2011 was “Hidden Treasures.” Artists apply to the Society and the Society chooses murals based on the themes.

Mr. Lien provided a map identifying the location of the murals, primarily on Main between 6th to the waterfront. He provided photographs of the 11 murals.

Councilmember Fraley-Monillas asked if comments the City has received about the murals should be forwarded to the Edmonds Mural Society. Mr. Lien answered comments regarding permitting should be referred to the Planning Division; comments regarding the nature of the murals should be referred to the Society.

Councilmember Fraley-Monillas observed the City did not have any role in the content of the murals. Mr. Lien agreed, explaining under the sign code, the City cannot regulate the content of signs.

Councilmember Buckshnis relayed concerns she had heard that the murals are concentrated downtown. She asked whether murals will be painted in other areas. Mr. Lien reiterated it is not a City program. The sign code does not regulate the location.

Mayor Cooper opened the opportunity for public comment.

Jeanie Blair, Edmonds, commented on the history of Edmonds, at the end of the 20th century, Edmonds was known for its antique shops, in the 21st century Edmonds has become a destination for arts and culture. Edmonds has become a model for what can be accomplished by citizen volunteers. The Edmonds Mural Society, a 501(c)(3) non-profit, has added beauty to the City, contributing local color and local fees without the use of any City money. The Society is sustained by gifts of membership pledges, building owners who donate wall space for murals, and volunteers. Ms. Blair commented the mural closest to her home, “Darkness Reflect,” was painted from a photograph taken by Pierce Pronovost, a local high school photo journalist and painted by Sami Sully, also a local high school student. The culture of the City is in the eye of the beholder and she is grateful for the beauty the Mural Society has contributed. She thanked the City Council and the Society for encouraging this atmosphere of art.

Nola Unger, Edmonds, stated she was never asked her opinion, never had an opportunity to express her opinion, was not allowed to vote on a mural and no information was given to her. She asserted that every dying town has murals on their buildings, signifying there is something wrong with Edmonds. After noticing all the murals, she also noticed the number of empty buildings and the number of businesses that open and then close. In her opinion there was no theme to the murals. She asked how the murals could be stopped and took exception to being overrun by a committee with no opportunity for input from citizens. She recalled a comment that the building owners were consulted and questioned whether business owners had been consulted. She asked when the Mural Society’s meetings are held and the process for selecting murals. Instead of murals, she preferred to lower business rents and to provide more opportunities and advantages to businesses.

Darlene McClellan, Edmonds, commented the current mural program is a citywide program that affects the balance and interpretation of the community as an arts destination. She understood the private, non-profit group identified the artists and locations and make the final selection. While she would prefer to have the program under the City’s arts office so that it concurs with City ordinances and requirements, she recognized that was not currently feasible. The Cultural Arts Plan, Parks Plan and the Strategic Plan contain visions for the community and have been significant guidelines since the mid-1990s. Regardless of whether it is a private or public program, she suggested the following be considered:

- Hold a public meeting and ability to comment before selections are made. The entire community is affected by the theme, scale, dimensions, colors and location.

- Establish a minimum time for the work to be in place in the artist contract, allowing for removal due to fading, etc.
- Limit the number and locations for a known maximum. The public seems surprised by the number of murals done each year. Each mural could have more impact if only 1-2 were added each year.
- Limit murals to alleys and off-sidewalk locations.
- Establish an end point for any of the pieces.
- Consider planning for maintenance, duration, subject matter and publicize it for the community and artists
- Encourage quality in color, design and theme with focus on Edmonds as an arts destination. The goal should be more than filling every wall.

Susan Henderson, Edmonds, commented the Edmonds Mural Society gave her a way to participate more actively in the community. Although not an artist, the arts are an essential part of her life. She was honored two years ago when asked to help with two murals as an artist support person. She treasures the murals even more because she played a small part in bringing two of them into existence. She believes in the good the murals contribute to the community and wants to support them. She is proud of the murals and enjoys showing them to out of town guests. Seattle area friends often choose Edmonds due to the restaurants and the ability to walk, stop for coffee, and enjoy the murals. The murals are a great gift that the Society and local artists have given to the community and she is grateful to everyone involved.

Don Hall, Edmonds, a downtown Edmonds merchant, explained many visitors compliment the murals and state they have improved the appearance of unattractive sides of buildings. The mural on the side of their building improved the appearance. The murals are a wonderful program that brings people to Edmonds. Anything that increases the number of visitors to the City and results in compliments is a good thing. With regard to the comment that stores are closing, he pointed out there have been at least three new businesses opened downtown and he did not see any stores going out of business. Edmonds has a very healthy downtown and should be proud.

Hearing no further comment, Mayor Cooper closed the opportunity for public comment.

Councilmember Bernheim explained he asked for this discussion to learn more and hear citizens' comments about the murals. He enjoys the murals but recognized they are a question of taste. He supported the intent of the program to liberalize the use of private property for these purposes regardless of the City's inability to have artist control.

Councilmember Bernheim asked how the Mural Society addresses long term maintenance of the murals. **Jeff Stilwell, Edmonds Mural Society**, responded a detailed maintenance schedule is submitted as part of the permit process. That schedule begins with the use of materials for the mural; they use the gold standard, Nova paint, which was recommended by the Chicago Mural Society. Nova paint does not fade as long as the murals are properly primed and sealed; Chicago boasts they have murals that have lasted 30 years. The enemies of mural longevity are weather damage and UV exposure. An annual walkthrough of the murals is done to identify signs of fading. If a mural does fade someday, it will be painted over and resealed.

Councilmember Fraley-Monillas asked if there was someone to whom citizens could voice their issues with the murals. Mr. Stilwell responded he often receives comments about the mural at his gallery on Main Street. Most people like the variety of murals; the Society tries to select a variety of styles. Citizens can contact him directly or the Society via their website, EdmondsMuralSociety.org.

Councilmember Petso anticipated this was a controversy that did not have to happen if citizens could be put in touch with the Mural Society and if the Mural Society was willing to reach out to citizens who have questions/concerns. She offered to forward the emails she has received regarding the murals. Mr. Stilwell commented one of the reasons the mural program has been so successful so quickly is they gathered information from a variety of sources including the residents, City Council, Chamber of Commerce, and downtown merchants. Ms. Chapin has provided her thoughts and advice and often relays citizen comments to the Mural Society. Councilmember Petso encouraged him to reach out to the citizens who have emailed her. Mr. Stilwell assured he would.

Councilmember Buckshnis suggested putting ten mural options on the website and allowing citizens to vote. She relayed concerns that the murals are too concentrated in the bowl area and asked if the Mural Society planned to do murals in other areas. Mr. Stilwell explained raising a mural takes three things, 1) a muralist, 2) money, and 3) a wall. The Society does a good job with the first two; they are having more difficulty with the third. He commented the Art Walk over the past decade has become the ultimate artist garden; a generation of artists have grown up in the city inspired by the Art Walk. Of the five murals raised this summer, three were painted by first-time muralists, one of them a high school student. He summarized the location of murals is determined by the availability of walls.

Councilmember Buckshnis commented it appears the buildings are also painted when the murals are painted. She asked whether the Mural Society requires the buildings be painted. Mr. Stilwell answered no, the building owners decide to paint the building.

Councilmember Buckshnis asked whether consideration had been given to a partnership with the City to raise murals on buildings owned by the City such as the Senior Center. Mr. Stilwell preferred the Society gain more experience and competence as that is an entirely different permitting process. Ms. Chapin explained art on a public building would require following the City's well-defined public art process.

Councilmember Wilson recalled discussing this when the amendments were made; that even with successful art, there will be different opinions. He suggested inviting the Edmonds Mural Society to the City Council in the spring in advance of their final determination of murals and allowing them to make a formal presentation to educate the public and display mural options. He acknowledged this is a private organization using private property and the Mural Society makes the decision regarding the artwork.

8. UPDATE ON HAINES WHARF PARK

Councilmember Bernheim commented he did not have a formal recommendation regarding the Haines Wharf change orders that were not disclosed. His intent in the summary and timeline was to document the non-disclosure. This is an important step before the Council can consider any recommendation regarding further action. He reviewed the timeline and summary of Haines Wharf change orders:

- Haines Wharf Park is in the Meadowdale area, in the north end of the City
- Constructed in a relatively steep slope area in the vicinity of historically unstable soils
- First time out to bid, high bid was \$2.7 million
- Third round of bidding, low bidder \$1.6 million, City Council approved bid
- May 5, 2009 City Council approved the contract
- In 2010 problems began arising in the course of construction. By March 23, 2010, 8-9 months after the project began, \$250,000-\$300,000 in change orders had been approved.
- A year after the contract was approved, total change orders exceeded \$675,000 on a \$1.6 million contract and the City Council was never informed
- The City has a purchasing policy which was revised in 2009. By ordinance the Council President is the audit committee. Councilmember Wilson was the Council President in 2009 and Councilmember Bernheim was the Council President in 2010. Purpose of the purchasing policy is

to control executive spending for the protection of the taxpayer. The purchasing policy requires the City Council to authorize any Public Works project over \$100,000.

- In the past former Mayor Haakenson brought construction project change orders to the City Council for review and approval.
- In July 2008 the State Auditor criticized the City for improper procedures in the handling of change orders on the 220th Street sidewalk project.
- Budget problems arose at the time of this project. In 2009 Yost Pool was threatened with closure, the Senior Center was threatened with cuts and other dire predictions were made with regard to the budget. The City's workforce gave nine furlough days. Police and Fire cannot take furlough days. The City Council was told the Police and Fire Department would share that sacrifice; however, the Mayor did not reveal police were paid for holidays at the end of 2009.

Council President Peterson raised a point of order, questioning the relevance of furlough days when the agenda item was an update on Haines Wharf Park. He was concerned that Councilmember Bernheim's summary addressed issues outside the motion to initiate an investigation. Mayor Cooper expressed his appreciation for Councilmember Bernheim's research to illustrate the lack of communication between the Mayor and City Council and he requested Councilmember Bernheim and the Council to confine their remarks to the agenda item.

Councilmember Bernheim continued his summary, commenting the former Mayor had a consistent policy of intimidating people who asked finance and budget questions, of concealing information from the taxpayers and City Councilmembers, and not responding to questions even when information was readily available. The vouchers written for the Haines Wharf project were included in weekly Council packets. When he asked the former Finance Director for a list of vouchers sorted in order of amount, he was told that information was not available. This was at the time when checks were being written to the Haines Wharf project. During this time the Council also considered hiring a finance analyst to explain financial information.

Councilmember Bernheim summarized the City Council relies on the administration to bring important matters to its attention. Because the former Mayor and others failed to mention change orders exceeding \$675,000 had been signed, the City Council and taxpayers never learned about them. The first mention to the City Council of the change orders was March 3, 2011. Even when the Council specifically asked how REET funds were being spent, the Council was not told they were being spent because the Haines Wharf project had become more expensive. Instead, the Council was told they were projects that were started in 2009 and were not completed until 2010.

Councilmember Bernheim questioned why the former Mayor did not tell the City Council about the \$675,000 in change orders. He acknowledged he could have pursued his question regarding sorting of the checks, Councilmember Petso could have specifically asked if the REET expenditures had anything to do with Haines Wharf Park, and Councilmember Buckshnis could have accused staff of not answering questions because a huge expenditure was occurring that the Council was unaware of. Instead, the Council was bullied and intimidated, passed the budget amendment at the end of the year and the taxpayers never learned that the former Mayor had approved additional contracts for \$675,000 for Haines Wharf Park.

Councilmember Bernheim advised that he developed a list of primarily lawyers who have experience in municipal law, public office or government investigations and could provide those to the Council.

Mayor Cooper explained the motion the Council passed previously requested the Mayor and a Councilmember meet with the City Attorney and provide a recommendation whether to hire an investigator. Councilmember Bernheim with the assistance of Councilmember Buckshnis developed a list of issues, many of which have to do with Haines Wharf as well as other communications that failed to

occur between the former Mayor and Council. Mayor Cooper noted the situation that occurred regarding Haines Wharf was one of the reasons he and Mr. Williams recommended the Council approve a new change order policy.

Mayor Cooper explained Mr. Tarte is in the process of reconciling all the vouchers and change orders regarding Haines Wharf. When that is complete, he recommended the State Auditor's Office (SAO) be asked to carefully review the history of the Haines Wharf Park project and inform the City whether or not policy was followed with regard to change orders, what could have been done differently, what improvements could be made with regard to the management of construction projects, whether approval of vouchers is informing the Council of change orders, etc. It is up to the Council to decide whether to pursue other options for an investigation. He noted review by the SAO is the least costly first step. If the SAO identifies something glaring, further steps may be necessary.

Councilmember Buckshnis commented contrary to Mr. Wambolt's suggestion, she had nothing to do with the preparation of this agenda item. She advised a decision was made not to include information regarding the amendments that were included without authorization, misstated financial statements, etc. She preferred to move forward, pointing out there were now policies in place and staff realizes the Council needs to be informed of any amendments. She commented the former Mayor treated the City like a business; the City is a municipality and "the buck stops here" with the City Council.

Councilmember Fraley-Monillas asked about the Council's liability, noting the Council approves the checks. Councilmember Bernheim responded there are 500-1000 checks in the Council packet each week. By approving them on the Consent Agenda, the Council authorizes their payment. As Council President he reviewed the vouchers but obviously no one told him what the big checks were written for.

Councilmember Fraley-Monillas asked whether the City Attorney at the time approved signing off on the change orders. Councilmember Bernheim responded the City Attorney approved the form of the change order without addressing their legality. The chronology indicates the date the City Attorney approved the form of the change orders. The chronology also includes an email exchange between City Attorney Snyder and City Engineer English inquiring about budgets and expenditures. At the time the City Attorney generally advised that expenditures and changes in contracts needed to remain within budgetary authority or City Council approval was required. The email does not specifically address the Haines Wharf situation. The City Attorney also billed \$13,000 in 2010 on the Haines Wharf project.

Councilmember Fraley-Monillas questioned the need for review by the SAO when Councilmember Bernheim's summary and chronology identifies what went wrong and where it went wrong. She preferred to move forward, questioning what would be accomplished by further investigation. With regard to the communication failure by the former Mayor, she was uncertain the SAO would find anything more. A policy has been adopted to ensure this does not happen again. Councilmember Bernheim responded the only thing further investigation may accomplish is an answer to why the former Mayor did not disclose the fact that he had signed \$675,000 in change orders on a \$1.6 million project and then resigned a few days later.

Councilmember Fraley-Monillas asked whether anyone had asked that question of the former Mayor. Councilmember Bernheim answered he had not.

Mayor Cooper explained intent of the review by the SAO was not to determine whether the former Mayor committed a crime or did anything wrong. There is some value in a second set of eyes looking at the situation. For example, with regard to the Council's responsibility; there is some question whether the Council approved the change orders by approving the vouchers on the Consent Agenda. Although following a random review of another project the SAO stated the City needed a better process for change orders, the SAO has not stated whether the recently adopted change order policy meets their standards.

This is an opportunity for someone else without a personal opinion to look at the facts and the timeline based on existing state law and city policy and determine what could be improved.

Councilmember Fraley-Monillas was uncomfortable with continuing to “spin our wheels with this.” She felt rehashing the situation was a waste of time and energy and she preferred to move forward with other issues and continue to perfect policies. Mayor Cooper clarified the Council would not be rehashing the situation, his recommendation is review by the SAO. Councilmember Fraley-Monillas did not support that without a limit on the scope. Mayor Cooper offered to provide a scope; if the Council did not want them to pursue it, Mr. Hunstock and he would stop working on it.

Council President Peterson asked if there were any grounds for a lawsuit by the City against the former Mayor. City Attorney Jeff Taraday answered he first saw the summary and chronology prepared by Councilmember Bernheim in the Council packet. He has not had enough time with the material to do an exhaustive analysis whether there are claims or what the claims might be. He summarized he was not prepared to answer that question tonight.

Council President Peterson explained he asked that question in hopes of putting speculations to rest. He wanted to move past personality clashes that have taken place, and move on to substantive policy ideas. To Mr. Wambolt’s comment that the Council needs a process to review projects of a certain size, that process has been established with a quarterly report from Public Works to the Community Services/Development Services Committee on all projects. In addition, the Council recently passed a change order policy. He agreed with Councilmember Fraley-Monillas’ suggestion to move on; summarizing the Council “has gone down a road that is taking us absolutely nowhere.”

Councilmember Petso was happy with leaving the situation in the hands of the SAO for now. The Council needs to be more proactive with regard to policies. She has tried to get the Finance Department and Public Works to provide identification of projects on the vouchers. For example, on the vouchers tonight, the Council approved \$4,000 for project E1JC and \$80,000 for project E7CB. She suggested improving financial reporting so Councilmembers reviewing the vouchers are aware what project a voucher is for.

Councilmember Buckshnis commented the only legality may be the email from the former City Attorney regarding the statement of the financials, the overspending of the appropriation and the amendments. She was willing to let bygones be bygones. The City has a new Finance Director and policies are in place that will be followed.

9. WORK SESSION ON THE 2012 BUDGET

Mayor Cooper explained this is the first of two scheduled work sessions on the 2012 budget; the second will be next Tuesday, October 25. A public hearing on the budget is scheduled November 1 and there may be a second public hearing scheduled. Presentations by the other half of the City’s departments will be made next week.

Mayor Cooper explained Interim Finance Director Jim Tarte met with each department director and reviewed revenues and expenditures in every section of the General Fund.

Mr. Tarte summarized the 2011 General Fund estimate:

- \$668,000 revenues in excess of expenditures (page 4 of 2012 budget)
- General Fund expenditures not made that resulted in the surplus:
 - \$280,000 - Vehicle Replacement Fund (2011 preliminary budget)
 - \$126,000 - Street Fund (page 169)
 - \$128,000 - LEOFF Medical Insurance Fund (page 51)
 - \$ 62,000 - Fire Pension Fund (page 31)

- \$180,000 - Partial salary vacancies (police, parks, utilities)
- \$776,000 - Total expenditures not incurred by General Fund

Mr. Tarte explained the above funds used their fund balance to make 2011 expenditures, expenditures that should be handled by the General Fund. Due to the surplus at the end of 2011, Mayor Cooper and Finance Director Shawn Hunstock will consider funding the Vehicle Replacement Fund and LEOFF1 Medical Fund in 2011.

Councilmember Buckshnis asked how funding of those funds using the surplus would occur, via a budget amendment or the budget process. Mr. Tarte answered Mayor Cooper and Mr. Hunstock will make a recommendation to the Council. Councilmember Buckshnis pointed out the General Fund increased by approximately that amount last year. Mr. Tarte responded it increased at the detriment of the other funds. When the General Fund has a surplus, consideration should be given to what funds were not funded and he recommended funding those funds. He recognized a citizen could question why the Council was proposing a levy when there was a \$600,000 General Fund surplus. In reality it is an anomaly because those funds were not funded. He recommended funding these funds from the General Fund via a yearend amendment. Mayor Cooper explained he plans to have Mr. Hunstock review all the funds and make a recommendation to the Mayor and Council regarding appropriate fund balances.

Councilmember Fraley-Monillas asked how a determination is made whether to fund a specific fund; for example what is the downside of not funding the Vehicle Replacement Fund (B Fund). Mr. Tarte answered the balance in the citywide Vehicle Replacement Fund is approximately \$4 million, an amount is allocated to that fund annually, a total of \$400,000-\$500,000; the General Fund's portion is approximately \$300,000. If a request is made for a significant asset purchase such as a boom truck at \$1.2 million, that would consume multiple years' funding. Each asset has a useful life; a projection is made regarding the balance needed to replace those assets. When the fund is not funded each year, there is unlikely to be an issue in year one or two, but problems will begin to arise when funds are not allocated to the Vehicle Replacement Fund for a third year. The city of Tukwila recognized that two years was the most a contribution to the Vehicle Replacement Fund could be suspended.

If there is a surplus, Mr. Tarte recommended funding the Vehicle Replacement Fund in 2011. The proposed 2012 budget does not have funding for the Vehicle Replacement Fund and he proposed not funding it in 2012 because there are insufficient revenues. The City could reevaluate next year whether to fund the Vehicle Replacement Fund. If the Vehicle Replacement Fund is funded in 2011 using the surplus, the 2013 contribution could then also not be made.

Mayor Cooper explained that is similar to what occurred in 2010; in 2010 the payment to the Vehicle Replacement Fund was budgeted, the Mayor suspended the payment during the year, and a budget amendment toward the end of the year authorized that contribution. He clarified the 2012 budget includes expenditures for vehicles and equipment, only the contribution would be suspended and the fund balance used to make purchases.

Councilmember Buckshnis asked whether the \$4 million balance in the Vehicle Replacement Fund is sufficient. If it is, she may not want to fund the Vehicle Replacement Fund in 2011 and may want to add funds to the Street Fund. Mr. Tarte explained the appropriate balance for all funds needs to be determined. He estimated that research would not be completed for at least 60 days due to other tasks in the Finance Department. He proposed funding the Vehicle Replacement Fund in the amount estimated in the 2011 budget, \$280,000. If a determination is made that the balance in the Vehicle Replacement Fund can be lower, the Council could choose not to fund it in 2012.

Mr. Tarte summarized the 2012 General Fund budget:

- \$43,000 revenue in excess of expenditures (page 4 of 2012 budget)

- General Fund expenditures not budgeted:
 - \$300,000 - Vehicle Replace Fund
 - \$256,000 - Street Fund
 - \$ 19,000 - LEOFF Medical Insurance/Expense Fund
 - \$ 25,000 - Fire Pension Fund
 - \$188,000 - Building Maintenance Fund
 - \$788,000 - Total expenditures not budgeted in General Fund

Mr. Tarte emphasized the above is not a sustainable model and is the reason levies are proposed to address the issue.

Councilmember Wilson explained the actuarial report for LEOFF Medical Insurance indicates a medical reserve liability of \$8 million for 30-35 firefighters and police officers. In 2010 the City spent \$377,000 to cover their benefits; a similar amount was spent in 2011. Each year expenditures are depleting the balance. At the end of 2011, the balance in the fund is \$300,000. Next year the City will spend \$600,000 in 2012 to cover expenses and is projected to be short \$19,000. Those expenditures will continue to increase as those individuals age. For decades, previous Councils did not fund this future liability. He summarized for every fund that is not funded now, a future Council will face that unfunded liability.

Mr. Tarte explained he used his private sector experience to create the 2012 budget. The Mayor and he met individually with each director and their related staff to review each revenue and expenditure line item. In preparing the 2012 budget, he also reviewed 2007 – 2010 actuals and the 2011 estimate. Directors and staff set the 2012 budget amounts and material increases/decreases from 2007 through 2011 were explained and adjusted as necessary.

Mr. Tarte reviewed how the 2011 estimate was prepared:

- Evaluated January – August 2011 activity and extrapolated results to a yearend balance, +/- seasonal adjustments. This result was compared to 2007 – 2010 actual and differences reconciled and adjusted as necessary.
 - January – August 2011 extrapolation works well with salaries, benefits, inter-governmental services, utilities, supplies, certain professional services
 - Prior year (2007 – 2010) results works well with miscellaneous, repair & maintenance, travel, small equipment, uniforms

Mr. Tarte explained the 2012 budget contains a multiyear forecast, 2013 and forward. The 2012 budget was used as the basis for 2013 and forward years, increasing various revenue streams from 0% to 3% and increasing expenditures from 1% to 11%.

Councilmember Wilson relayed the Council's appreciation to Mr. Tarte and Mayor Cooper for the manner in which the 2012 budget was prepared.

Finance Department

Mr. Tarte described the Finance Department reorganization:

- Reestablish two positions that existed in 2008:
 - Accountant – approximately 50% reimbursed by Utility Fund
 - Utility Billing Technician – 100% reimbursed by Utility Fund
- Eliminate Executive Assistant position
- Reduces General Fund expenses by approximately \$30,000

Mr. Tarte explained the Auditor has communicated they plan to issue a finding to the Finance Department; the same person reconciles the bank statement, issues invoices and takes money to the bank.

Reestablishing the above two positions will solve that issue as well as initiate best practices. There may be another finding in regard to how the financial statements were prepared.

Mr. Tarte reviewed historical Finance Department expenditures:

- \$725,000 – 2007 Actual
- \$696,000 – 2008 Actual 4% decrease
- \$632,000 – 2009 Actual 9% decrease
- \$539,000 – 2010 Actual 15% decrease
- \$707,000 – 2011 Estimate 31% increase
- \$728,000 – 2012 Budget 3% increase

IT & Fiber Optic

CIO Carl Nelson described equipment that IT maintains:

- 250 desktop/laptops
- 15 physical servers, 40+ virtual servers
- 260 Phones
- 110 cell/mobile devices
- 13 main switches/routers & WiFi controller
- Provide support for six major software apps
- New website updates & GIS information on web
- New World CAD/RMS implementation
- Review & implement finance software

Mr. Nelson reviewed Fiber Optic:

- On-going maintenance of equipment/facilities
- Professional services - fiber splices
- Pursuing opportunities with ECA and others

Councilmember Buckshnis commented the Finance Committee has discussed making the fiber optic program an enterprise fund in order to recognize revenue.

Mr. Nelson proposed the following decision packages:

- Finance Software Updates (EDEN/CLASS)
 - Savings in credit transaction processing fees (\$30,000-\$50,000)
 - Reduction in citizen complaints about paying on line (support for all web browsers for on-line payments)
 - Option for reoccurring (utility bill) credit card payments
- Public Records/Document Management System
 - System to catalog, manage, and make available on-line a portion of City records
 - Start with current records and work backwards as time/staff allows
 - Expand scope to provide highest benefit to public at lowest cost

Councilmember Petso inquired about the cost of the public records/document management system. Mr. Nelson answered the budget includes the amount split across several departments.

COUNCILMEMBER FRALEY-MONILLAS MOVED, SECONDED BY COUNCILMEMBER BUCKSHNIS, TO EXTEND THE MEETING FOR 45 MINUTES. MOTION CARRIED UNANIMOUSLY.

Police Department

Police Chief Al Compaan presented the Police Department budget.

- Budget: \$9,165,243
- Includes \$531,050 Jail Costs
- Does not include \$1,080,474 for SnoCom – SERS Dispatch for Police, Fire, Public Works (budgeted in non-departmental)

Chief Compaan displayed the proposed 2012 budget:

| | |
|---------------------------------|----------------|
| • Salaries, OT, Benefits | \$7,899,571 |
| • Uniforms | 53,570 |
| • Supplies | 95,900 |
| • Small Equipment | 14,300 |
| • Professional Services | 95,200 |
| • Communications | 33,592 |
| • Travel | 26,300 |
| • Rental/Lease | 18,000 |
| • Repairs/Maintenance | 16,115 |
| • Miscellaneous (incl training) | 55,887 |
| • Intergovernmental Services | 536,048 |
| • Vehicles/Fuel (No B Fund) | <u>320,760</u> |
| • Total Budget | \$9,165,243 |

Chief Compaan reviewed the following:

- 2010 actual: \$9,002,907
- 2011 estimated: \$8,749,788
- 2012 proposed budget: \$9,165,243
- 2011 estimate includes 3 FTE only being paid for partial year due to retirements, etc. The 2012 budget presumes positions filled for entire year and therefore restores existing service levels.
- At the peak 2 years ago, the Police Department had 56 commissioned members; there are now 55 budgeted and 52 in service at this time. Currently have nine civilian personnel including civilian front office staff, executive assistant, property officer and animal control officers, part-time admin staff and part-time domestic violence coordinator.
- 2012 overtime request: \$420,000, including \$40,000 reimbursable from grants and special events. 2012 OT is less than actual expenditures 2007-2010

Council President Peterson asked whether the SERS payment could be allocated by department. Chief Compaan responded a formula could be developed to apportion it between Police, Fire and Public Works. Fire and Police receive the majority of calls; Public Works receives only about 5%. The assessment from SERS is a lump sum total.

Council President Peterson referred to the \$48,000 General Fund contributions to the B Fund to replace police radios and mobile computers (page 94 of the budget). He expressed concern with delaying that contribution to invest in new radios. Chief Compaan explained there are two hardware items to be purchased from this line item; the first is mobile data computers (MDC) in patrol cars which have an approximately 5-year replacement schedule. Expenditures this year and next year for new MDC total \$78,000. The second item is portable radios and mobile radios. In the future there needs to be a replacement plan for the hardware that drives the countywide 800 MHz radio system as well as the City's hardware. In his opinion the future hardware needs are not being adequately funded but the funding mechanism is unknown; there may be a countywide bond issue that would assist with or cover the cost. Parts for portable radios are becoming less available and radios will need to be replaced rather than repaired.

Councilmember Wilson referred to the 2010 actual FTE of 69 and the 2012 budget of 65 FTE, and asked the highest priority decision memo if the Police Department were to submit one. Chief Compaan answered there are several priorities including maintaining the number of commissioned officers; he would like to have the additional commissioned member that was cut a few years ago. The Police Department needs a Crime Prevention/Crime Analysis position. The Police Department also needs an additional staff member in the front office because one of the five front office staff now does nothing but records requests. He commented 11 years ago the Police Department had 85 part-time and full-time employees and were able to provide an excellent level of service; the Department is now down to 66 due to cuts that have been made.

Councilmember Wilson asked how the Public Records/Document Management System decision package Mr. Nelson described would assist the Police Department. Chief Compaan explained many of the Police Department documents are public but may contain personal information that is not appropriate for release or other information precluded by statute from release to the general public. Human eyes are required to determine information that needs to be redacted. Release of some information would be easier to automate such as traffic collision reports; there is a service the Police Department could subscribe to. Online reporting is being researched that would allow a person to make a simple report online that does not require a police officer. Those reports would then be reviewed before being filed.

Councilmember Wilson asked if there were other technology options that could reduce Police Department workload. Chief Compaan answered there will be some efficiencies with the New World CAD/Records Management System. For example that system will eliminate some of the redundant data entry done by clerks. At the same time statutory obligations are imposed on the Police Department such as the Public Records Act, concealed pistol licenses, fingerprinting, etc.

Council President Peterson suggested adding \$45,000 into the budget for the B Fund contribution for radios. Councilmember Wilson commented there is uncertainty about that future radio transaction. He planned to propose an amendment to restore the police officer that was cut and the Crime Prevention Unit. Although he would support Council President Peterson's proposal, he suggested the Council consider the Chief's priorities.

Mayor's Office

Mr. Tarte explained there are no significant changes in the Mayor's Department. Mayor Cooper advised his budget has two employees and some travel and miscellaneous.

City Clerk

Mr. Tarte explained the proposed budget includes a ½ time person to assist with public records requests. The decision package proposed by Mr. Nelson for a Public Records/Document Management System will assist with that effort.

Councilmember Wilson asked whether the ½ position was the same position that was not filled in 2011. City Clerk Sandy Chase answered a full-time position was budgeted in 2011 but not filled. The 2012 budget includes a ½ time person.

Human Resources

Mr. Tarte advised a salary survey is being conducted; a one-time expense in 2011 that will not occur in 2012. The Human Resources department has two positions and standard benefits and miscellaneous expenditures.

Mayor Cooper asked Parks & Recreation/Interim Human Resources Director Carrie Hite to comment on the compensation consultant selection. Ms. Hite explained Councilmember Fraley-Monillas, Council President Peterson and she interviewed firms and their recommendation to contract with Public Sector

Personnel was approved on the Consent Agenda. It is hoped the job descriptions, phase 1, will be completed this year so approximately half the allocated amount will be spent in 2011 and the other half in 2012 for phases 2 and 3. Mayor Cooper advised the final budget adoption will require the addition of the amount necessary in 2012.

City Attorney

Mr. Tarte explained the City is continuing to enjoy cost savings due to changing to Lighthouse Law Group in March 2011. The 2012 budget reflects a reduction from 2011 as there were also bills from the prior City Attorney for some tasks through June 2011. He explained approximately \$4,000/month of the Lighthouse retainer is allocated to the City Council; the remainder is in the City Attorney budget. The City Attorney budget includes approximately \$160,000 for the City Prosecutor.

10. UPDATE ON THE STRATEGIC PLAN TIME LINE

Community Services/Economic Development Director Stephen Clifton explained On September 14, 2011, a Strategic Planning Kick Off meeting took place and was attended by the City Council, Planning Board, Economic Development Commission (EDC) and Citizens. Since that time, City staff have been preparing a list of stakeholders which will be used for future interviews, and Beckwith Consulting group has been working with staff on press releases and stakeholder, business, customer, visitor, events, and youth surveys. Additionally, Beckwith Consulting Group has begun a scan of existing conditions related to Edmonds, the region and the state.

Mr. Clifton assured that changing the timeline would not affect the budget. On October 10, 2011, the Mayor, Department Directors and Tom Beckwith met to discuss the remaining tasks and timeline identified within the adopted scope of work, and more specifically, adjusting the overall Strategic Plan Schedule. Adjusting the schedule means holding retreats later than identified within the adopted scope of work. He had the opportunity to speak with six Council members and spoke with a few Economic Development Commissioners related to this possibility, and all agree that an adjustment to the schedule would benefit the overall process. The Beckwith Consulting Group also agrees and is prepared to work with City staff to prepare an adjusted schedule.

Mr. Clifton described the reasons for adjusting the schedule. Within the near term, significant events have the potential to impact the overall process and it would benefit the process by having a better understanding of the outcomes. Such events include the November 8, 2011 election and the budget process. This election has the potential to result in five new elected officials representing Edmonds. If this is the case, it would be beneficial to host the next round of retreats after these officials take office and conduct interviews to gain an understanding of their views, in addition to their commitment to the strategic planning process. Additionally, the November 8, 2011 ballot has three levies that will shape the overall budget discussions. This leads to the next item and that's gaining a better understanding of where we are financially, i.e., an adopted budget, which ties to conducting scans of existing conditions.

In addition, adjusting the overall schedule would providing more time to:

1. Respond to comments made during Retreat #1,
2. Give the City Council an opportunity to review draft stakeholder/survey questions before they are asked during interviews or released to various interest groups and general public,
3. Allow for effective community outreach via stakeholder interviews, mail-back surveys and internet surveys, and
4. conduct a more thorough scan of City departments and existing conditions of the City, and region in general, prior to Retreats #2 or #3.

By extending the timeline, a more thorough outreach and survey effort can take place in 2012 during some of the major community festivals and events held earlier in the year which will also help provide a

more complete picture related to tourism and events. Extending the timeline will also result in a more bottom up approach due to allowing more time for community outreach before the next retreats are held.

The City's new Finance Director started one week ago, and because financial issues play such a large role during a Strategic Planning process and post-adoption of a Strategic Plan, it will be important for the Finance Director to have more time to fully understand the City's expenditure and revenue picture. This in turn will help him to more effectively represent the City at public events, thus adding credibility to the overall process.

An adjusted schedule is being developed and will be presented for the Council's review and consideration. He will also provide a regular update to inform the Council, the EDC, Planning Board and public how the strategic planning process is progressing.

The Council agreed with Mr. Clifton's proposal to develop an adjusted schedule.

11. REPORT ON CITY COUNCIL COMMITTEE MEETINGS OF OCTOBER 11, 2011.

Community Services/Development Services Committee

Councilmember Fraley-Monillas reported:

- The committee was provided a report on the study to update City's General Facilities Charges for water, stormwater and sewer utilities.
- Staff also reviewed the quarterly Public Works Project Report.
- Authorization to advertise a RFQ for Dayton Street and SR104 Storm Drainage Alternative Study was approved on the Consent Agenda.
- Authorization to advertise a RFQ for the Perrinville Creek Culvert Replacement at Talbot Road was approved on the Consent Agenda.

Public Works Director Phil Williams reported on the following:

- An update was provided to the committee regarding the Professional Services Agreement with RH2 Engineering, Inc. for the Alderwood Intertie and Yost Reservoir Improvement Project. The original contract was \$83,000. Staff is reviewing RH2 Engineering's request for additional compensation. A supplemental agreement will be required and it may cause the contract to exceed the \$100,000 contract limit in the purchasing policy. There will be an increase to the \$83,000 project cost that causes the project to exceed \$100,000.
- An update was provided to the committee on utility work in the BNSF right-of-way at Main Street. The City was unable to complete its project to realign the utilities under the railroad tracks in anticipation of the future double tracking due to wood debris, etc. under the tracks. Two weeks later BNSF advised they had the money to complete the utility crossings and wanted it done by the end of the year. This month-long project will require work on as many as 14 nights. BNSF will bear the majority of the cost and the project will save the City money in the long term.

Public Safety & Human Resources Committee

Councilmember Wilson reported the committee discussed Marine 16, the watercraft funded by a Homeland Security grant, intended to serve the entire region. There are no funds for maintenance in the 2012 budget. The options are for Fire District 1 to contribute, to dry dock the boat or identify another funding source. Committee members encouraged Mayor Cooper to get FD1 to take over the boat. The committee also reviewed an agreement with Snohomish County for a child interview specialist. A citizen reported on health coverage as it relates to public employees.

Finance Committee

Councilmember Buckshnis reported staff provided a quarterly update on the fiber project with the assistance of Darrol Haug, representing CTAC. Revenue from fiber exceeds expectations and

consideration is being given to establishing an enterprise account. Staff provided the committee an update on the General Fund through August 2011; sales tax, property tax and licenses and permits are over budget; telephone utility tax is below budget. Expenses are under-budget due to vacancies. The committee also discussed financial policies and reporting. Public comments included compliments for Mr. Tarte and a suggestion that he City request a report regarding transport fees.

12. MAYOR'S COMMENTS

Mayor Cooper reported Dick's Drive In's grand opening is Thursday, October 20 at 3:00 p.m. The Council approved a water line easement on tonight's Consent Agenda, which was the last thing needed for Dick's to open. He congratulated Dick's and City staff for the work they did to make this happen. One year ago Dick's announced they were coming to Edmonds, they broke ground in May and construction is six weeks ahead of schedule. He recognized Mr. Clifton and the staff in Building, Planning and Engineering for working closely with Dick's, which is a testimony to staff's ability to work with contractors and developers to complete projects.

Mayor Cooper reported the new Finance Director Shawn Hunstock started last week. The transition plan retains Mr. Tarte until the end of the month.

Mayor Cooper thanked Ms. Hite and MaryAnn Hardie for their efforts. A consultant has been hired on an as-needed basis to assist in Human Resources. A temporary hourly employee is assisting in the Mayor's Office.

Mayor Cooper announced the City has received a claim for damages from Precision Earthworks in the amount of \$951,000 related to Haines Wharf Park. The City is in the process of reviewing the claim and is not prepared to comment on any specific issues raised at this time since the matter is likely to lead to litigation. The City will vigorously defend the City's position from all claims that are not justified by the construction contract.

13. COUNCIL COMMENTS

Councilmember Fraley-Monillas welcomed the Spady family and Dicks to Edmonds.

Councilmember Wilson wished his son, Carston James Wilson, a happy fifth birthday today.

Councilmember Buckshnis thanked everyone who came to the Halloween Howl; over \$1000 was generated. This weekend is Firdale Furry Festival.

Councilmember Buckshnis urged the public to thank Mr. Tarte for everything he has done for the City's finances.

Council President Peterson welcomed the Spady family to Edmonds.

14. ADJOURN

With no further business, the Council meeting was adjourned at 10:47 p.m.